

# Corporate Officer Wage Reporting

## Reportable for the Purpose of State Unemployment Tax

Corporate officers, classified by law as employees in Idaho, are required to report all wages in any form if they perform services for the corporation.

Corporate officers who are ALSO SHAREHOLDERS are required to report all wages in any form if they:

- Have not yet reported a fair market wage.
- Have not opted out of the State Unemployment Tax Act — SUTA. *See required criteria in right column.*

Wages means all payments for services, including salaries, hourly pay, piecework pay, commissions, bonuses and the cash value of any payment in any form other than cash as provided by Idaho Code §72-1328.

Examples of payments reportable as wages for the purpose of unemployment tax include:

### **Paid TO the corporate officer:**

- » Commissions
- » Distributions
- » Bonuses
- » Dividends
- » Draws
- » Other\*

### **Paid ON BEHALF of corporate officer:**

- » Personal bills
- » Groceries
- » Movie rentals
- » Mortgage payments
- » Family dinner
- » Other\*

*\*Any compensation, monetary or otherwise, received by the corporate officer, including all non-business expenses charged to the corporation.*

**Find opt-out forms online.** For private corporations, go to:

<https://www.labor.idaho.gov/dnn/Portals/0/Publications/Business/corporateofficer-private.pdf>.

For public corporations, go to: <https://www.labor.idaho.gov/dnn/Portals/0/Publications/Business/corporateofficer-public.pdf>.

## Corporate Officer Opt-Out Criteria

- Must be an officer AND a shareholder of the corporation.
- Must submit opt-out form on or before March 31 to qualify for the current year. *(Find links to forms at the bottom of this page.)*
- Will be opted-out for a term of not less than two years.
- May impact Federal Unemployment Tax Act – FUTA - liability. It is recommended you consult a tax professional.

## Fair Market Wage

- Determined using the Idaho Occupational Employment and Wage publication found at: <http://lmi.idaho.gov/oes>. Find wage by region and occupation.
- Applicable rate is generally determined by how long the business has been in operation.
- As with other employees, wages are reportable when paid or made available.